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7-19-69

MEMORANDUM FOR: Mr. John P. Walsh
Acting Executive Secretary
Department of State

SUBJECT: Cooling Romanian Hopes for Economic Concessions

I noted that Bucharest's 1367 reports that Romanian officials have begun to speak with great optimism about possible US economic concessions -- particularly MFN -- as a result of the President's visit to Bucharest. I would appreciate your instructing Embassy Bucharest to try discreetly to cool down the Romanians a bit.

The Embassy should emphasize that the President's discretion in the field of East-West trade is limited, and that the Romanians should not anticipate dramatic developments at the time of the visit. Rather, they should set their sights on gradual improvements as a result of the visit.

With regard to the encouragement reportedly given the Romanians by Dr. Emil Onaca mentioned in the same telegram, you should inform Embassy Bucharest that Onaca is one of the many well-meaning but obtrusive Romanian emigres who have sought to press their services on the White House in connection with the Presidential trip. Onaca has no privileged relationship whatsoever at the White House and enjoys no special status; he is an American businessman of Romanian background who hopes to participate in expanding trade with Romania. He will not repeat not have a role in any aspect of the President's trip.

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

15/
Henry A. Kissinger

DR Lesh/hk, July 18, 1969

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DOS, NSS, DHS, review
completed



Department of State

TELEGRAM

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Handwritten signature/initials

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ACTION EUR 22

INFO OCT 01, CIAE 00, DODE 00, JPM 04, H 02, INR 07, L 03, NSAE 00, NSC 10,
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FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 4545
INFO AMEMBASSY BELGRADE
USMISSION BERLIN
AMEMBASSY BONN
AMEMBASSY BUDAPEST
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMCONSUL MUNICH
USMISSION NATO
AMEMBASSY PARIS
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

C O N F I D E N T I A L BUCHAREST 1567

1. CONSIDERABLE HOPES BEING PLACED BY ROMANIAN OFFICIALS ON PRESIDENTIAL VISIT IN TERMS OF INCREASED TRADE. ECONOMIC ADVISOR TO PRIME MINISTER (COSTIN MRUGESCU) TOLD DCM JULY 16 ROMANIANS ENCOURAGED BY NEWS THAT SENATE BANKING AND CURRENCY COMMITTEE HAS APPROVED LIBERALIZED VERSION OF EXPORT CONTROL LAW. THIS SEEN AS FIRST FRUIT OF PRESIDENT'S VISIT HERE AND AS HOPEFUL HARBINGER OF BOTH EVENTUAL MFN TREATMENT AND REMOVAL OF EX-IM BANK RESTRICTIONS. JUDGING FROM MURGESCU'S REMARKS, HOWEVER, THERE EXISTS STILL SOME CONFUSION AT HIS LEVEL AS TO JUST WHAT THE PRESIDENT LEGALLY COULD DO TO FACILITATE ROMANIAN-US TRADE AND WHAT WOULD REQUIRE CONGRESSIONAL ACTION. AS HAD AMB BOGDAN IN RECENT CONVERSATION WITH SECRETARY, SO MARGESCU INDICATED ROMANIA WOULD BE IN MORE COMFORTABLE POSITION VIS-A-VIS ITS SOCIALIST FRIENDS IF ANY POTENTIAL

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Department of State

TELEGRAM

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TRADE BENEFITS MADE AVAILABLE TO OTHER SOCIALIST COUNTRIES
AS WELL, BUT WILLING TO ACCEPT BILATERAL APPROACH.

2. IN SAME CONNECTION, FRENCH COMMERCIAL COUNSELOR
LEGIER HAS INFORMED EMBASSY THAT IN TALKS WITH MINISTRY OF
FOREIGN TRADE OFFICIALS HE HAS FOUND THEM VERY EXPECTANT
THAT PRESIDENT MAY AGREE TO TARIFF REDUCTIONS ON BASIS OF
STAND-BY AUTHORITY TO GRANT SIX-MONTH TEMPORARY
TARIFF REDUCTIONS AND THAT THIS WILL PAVE WAY FOR GRANTING
MFN. ROMANIANS WERE EVIDENTLY ENCOURAGED IN THIS HOPE BY
DR. EMIL ONACA, VICE PRESIDENT, INTERCONTINENTAL
DEVELOPMENT LTD, LOS ANGELES, WHO DURING LATE JUNE
VISIT TO ROMANIA INTERVIEWED MINISTER OF FOREIGN TRADE
AND OTHER HIGH OFFICIALS IN TRADE AND OTHER MINISTRIES,
IMPLYING GOOD CONNECTIONS WITH STAFF OF DR. KISSINGER
AND OTHER LEADING US OFFICIALS. DR. ONACA TOLD THEM (AS
HE DID THE EMBASSY) THAT HE HOPES TO RETURN TO BUCHAREST
WITH PRESIDENTIAL PARTY.
DAVIS

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July 18, 1969

MEMORANDUM FOR THE FILE

SUBJECT: Background on Dr. Emil Onaca

On May 28 and 29, 1969, Dr. Emil Onaca -- a US citizen of Romanian background now in business in California -- attempted to telephone Dr. Kissinger, was referred to Hal Sonnenfeldt, and eventually spoke with Don Lesh. Onaca stated that he had just spoken at length with the Romanian Ambassador in Washington, and volunteered a number of comments on possible points the Ambassador would raise in a planned meeting with Dr. Kissinger on May 30. The information proved to be incorrect (a pertinent memo dated May 29 is attached).

At that time Onaca also reported that he would be traveling in Romania for over three weeks during June, and would get in touch with Mr. Lesh on his return to report his experiences and observations.

In early July Onaca telephoned a number of times and eventually came in to see Mr. Lesh with the promise that he had spoken with President Ceausescu and had "exciting news" pertinent to the President's trip. In fact Onaca had only glowing reports that communism had all but disappeared in Romania, that personal freedom had never been so great, and that the President would be welcomed with great enthusiasm. At this time Onaca first mentioned that he wished to serve as the President's interpreter. He was thanked for his willingness to help, but told that arrangements had already been made to handle all interpreting and translating in Bucharest.

Since then Onaca has telephoned at least three to four times, and has been told on each occasion that there is no possibility of his being included in the President's trip. Dr. Onaca also approached the office of Senator Murphy of California on July 16 to seek the Senator's support. Mr. Richard Spears, the administrative assistant to Senator Murphy, telephoned Mr. Lesh and was given the full background. Mr. Spears said he would do his best to "turn Dr. Onaca off."

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In a related development in early July, the Secret Service was alerted by a local camera and film developing shop, because Dr. Onaca had presented the movie films he had taken in Romania and demanded 24-hour processing "because he was going to brief the President." The Secret Service obtained the films, viewed them, and confirmed that they were in fact tourist scenes of Romania. They consulted Mr. Lesh, who once more provided all background on Onaca. The films were returned to the shop for delivery to Onaca without further action.

D. R. Lesh

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INFORMATION

May 29, 1969

MEMORANDUM FOR MR. KISSINGER

FROM: Helmut Sonnenfeldt

SUBJECT: More Background for your Meeting with the
Romanian Ambassador

I believe that the substance of two telephone calls Don Lesh received on May 28 and 29 from a Dr. Emil Onaca -- a former Romanian citizen now in business in California -- may be of interest as background for your talk with Ambassador Bogdan at 12:00 noon on May 30.

Onaca telephoned on May 28 in anticipation of a meeting with Bogdan here in Washington, and on May 29 after completing a 2 and 1/2 hour conversation with the Ambassador. The key points Onaca made were:

- Bogdan is "excited as a child" about his meeting with you on May 30; Onaca feels that your meeting will "really make history" in Romanian-American relations;
- the Ambassador will stress the possibilities for expanding economic ties between the US and Romania; Dr. Onaca has been discussing various commercial plans with them, and will return to Romania at the invitation of the Romanian Government for an extensive tour in June; Onaca's plans include the purchase of Romanian wine, lumber, and gloves through the Intercontinental Development Company of Los Angeles, of which he is Vice President; technical assistance on a large irrigation project through Hydrotechnics of New York; and supply of telecommunications equipment for modernization of the Romanian telephone system through North American;
- the Romanians are also interested in obtaining military equipment (unspecified) from the US, but are uncertain how to raise such a delicate question with you; they would be ready to work out third-country techniques for delivery in

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Onaca mentioned that his name was on file in Harry Flemming's office as a result of recommendations sent by Senator Murphy of California and two California Congressmen. We verified that his file exists; a resume supplied by Onaca is attached at Tab A. For the sake of prudence we also have asked Frank Chapin to get a reading from C.I.A. on Onaca's background. He claims to have fought communism for twenty years, but to be very impressed now by the sincere desire of the Romanian Embassy to establish closer trade relations with the US -- a process from which Onaca of course stands to profit materially.

Onaca said he would get in touch with us after he returns from his visit to Romania.

DR Lesh/hk

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Jan. 6, 1969

Form
STATE

Mr. John Mitchell
Republican Headquarters
New York, N. Y.

Dear Mr. Mitchell,

Although I have not been directly solicited for my recommendations, I am none the less aware of the President's desire to staff the Executive Offices with the best talent available. I have been advised that you are the man who is conducting the personnel search for Mr. Nixon. I am therefore enclosing the resume of Dr. Emil Onaca for your consideration.

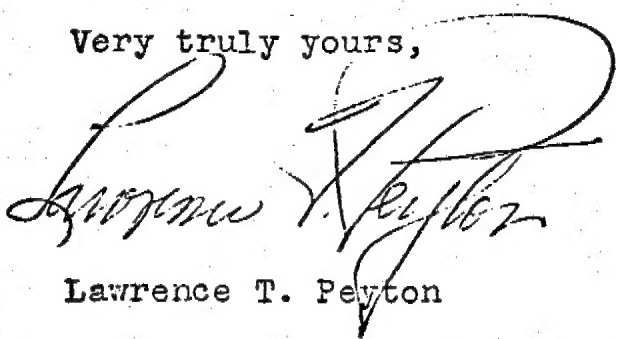
Dr. Onaca's talents became well known to me during the period he was employed by the Douglas Aircraft Co. He was assigned to my section and I rated his work as superior in every regard. He has remained a close personal friend and confidant so I have been aware of his work since that time. It has continued to be outstanding.

I believe he could make a real contribution as a staff man within the President's group of personal advisors. in an area having to do with Central European economic and political relations - with Rumania as a specific area. He is a recognized expert in these fields, especially by the Rumanian government. He is very knowledgeable in areas of the Middle East as well.

There are no doubts in my mind as to Dr. Onaca's loyalty. He has become an American citizen, maintains a security clearance of Secret, and has a clear file with the FBI. I suggest you check with that organization for further background.

I trust you will help this man along, and in so doing add to the U.S. capability in the field of foreign affairs. Thanking you in advance, I remain

Very truly yours,



Lawrence T. Peyton

RESUME

EMIL ONACA

TELEPHONE: [REDACTED]

STAT

OBJECTIVES:

International Economic Development Planning
Corporate Long -Range Planning
Aersospace Market Research and Analysis

EDUCATION:

B.A. Economics and Pol. Sciences, Univ. of Brasov, Romania, 1947
Ph.D. Economics and Pol. Sciences, Sorbonne Univ., Paris 1951
M.A. Political Sciences, Columbia University, New York City, 1961

MEMBERSHIP:

AMA, AIA, EIA, WEMA

BUSINESS EXPERIENCE:

January 1967 to present

CONSULTANT TO AEROSPACE INDUSTRY

Serving the Aerospace Industry as consultant at the corporate level for aerospace and economic and social development programs, both in the U.S. and abroad.

Among the client companies were ITT, Lockheed Aircraft International, Systems Associates, Intercontinental Consultants Corporation, etc.

Type of work covers a range from military weapons requirements and trends to major economic and social development programs in Morocco, Tunisia, Sudan, Congo, Thailand, Eastren Europe, Latin America, etc.

December 1964 to Dec. 1967

Plantrol/Tacher Assoc., Mgt Consultants

DIRECTOR, MARKETING AND PLANNING DEVELOPMENT

Directed studies and surveys, short, medium and long-range defense-space planing for both domestic and foreign markets. Special geo-political studies, special economico-political studies of factors affecting DOD, NASA and non military markets.

August 1963 to January 1965

Litton Industries, Data Systems

SR. ANALYST/PIANS AND REQUIREMENTS STAFF

Conducted studies and surveys, and short, medium and long-range defense-space planning, both domestic and international; identification and analysis of USAF, USN, USA and NASA requirements. Identification and ana-

lysis of foreign military requirements and U.S. business opportunities abroad.

Authored a major work entitled: "The Electronics Industry-Its Past, Present and Future", a study of the European Electronics Market. Initiated and prepared "Future Business Investigation Board". Wrote studies on: ASW, EOL, ATC, ILS, AWACS, TFX/VAL, Microelectronics, USAF, USA, USN aircraft, missiles and electronics requirements. Studies of the "Communist Threat", plus studies concerning military requirements as well as economic-political problems of NATO, CENTO, SEATO and ANZUS defense treaties. Had consultations with the military and civilian leaders of DOD, U.S. Department of State, Commerce as well as EIA, AIA, WEMA, ANA, with publishers of Aviation Week, Missiles and Rockets, Electronic News, DMS, DATA and with foreign military and economic attaches. Special studies on U.S. defense-space expenditures as affected by political, economic, social and military factors.

August 1962 to April 1963

Douglas Aircraft, Missiles & Space Syst.

SR. ANALYST MARKET ANALYSIS/ADVANCED PRODUCT PLANNING

Missiles and Space Systems Division. Field included studies and analysis of domestic and foreign aerospace markets; opportunities abroad for U.S. aerospace industry. Consultations with DOD, Department of State, Commerce and foreign military and economic attaches in Washington. Major U.S. firms engaged in import-export and manufacturing abroad. Studies on "Military in Space", U.S. defense-space planning and expenditures plus NATO, CENTO, SEATO and ANZUS requirements for aircraft, missiles and electronics.

December 1958 to May 1962

Leach Corporation, Compton, Calif.

DIRECTOR/ MARKET RESEARCH AND ANALYSIS

Conducted studies and surveys on electronic markets, domestic and foreign. Assisted V.P.-Marketing in selecting and training of sales engineers. Edited "Leach Marketing News" and many company works.

LANGUAGES: French, Italian, Romanian

CLEARANCE: Secret

AGE: 44 years

HEALTH: Excellent

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HAK ChronCONFIDENTIALACTION

July 18, 1969

MEMORANDUM FOR MR. KISSINGER

FROM: Helmut Sonnenfeldt

SUBJECT: Cooling Romanian Hopes for Economic Concessions

A telegram this morning from Embassy Bucharest (Tab B) indicates that Romanian officials have begun to speak with great optimism about US economic concessions -- particularly MFN -- as a result of the President's visit to Bucharest. This message came through in a conversation between our DCM and the Economic Advisor to the Prime Minister, and also in talks between the French Commercial Counselor and officials of the Ministry of Foreign Trade.

The latter source reported the Romanians hope the President will exercise his alleged authority to grant six-month temporary tariff reductions, and that this will pave the way for MFN.

The telegram also notes that the Romanians have been encouraged in their optimism by the June visit of Dr. Emil Onaca, a Los Angeles businessman of Romanian background. Onaca claimed to have "good connections with the NSC Staff" and other leading US officials, and implied both to Romanians and Americans that he would return to Bucharest with the Presidential party. There is some background information on Onaca at Tab C. He is one of the several Romanian emigres who have attempted to press their services on us for the President's trip. Don Lesh has spoken with Onaca and has told him unequivocally that there is no possibility of his being included in the President's trip.

Since the President will not have a great deal to offer in Bucharest in terms of economic concessions, I feel we should try to cool the Romanian optimism before it goes too far. There is a memorandum to State for your signature at Tab A, requesting that they send appropriate instructions to the American Embassy in Bucharest.

RECOMMENDATION: That you sign the memorandum at Tab A.

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